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Cloudy and milder; southwest winds 25. Low-high at Charlottetown 5 and 21.

"Covers Prince Edward Island Like The Dew"

CHARLOTTETOWN, CANADA, FRIDAY, FEBRUARY 13, 1959

13 PAGES

NOT MORE FIVE CENTS THAN

P.E.I. Debt Passes 23 Million, Public Accounts Figures Reveal

An increase in liabilities of \$1,778,042.95 despite a surplus on ordinary account of \$1,073,145.07 is shown in the public accounts of Prince Edward Island tabled in the Legislature for the year ending March 31, 1958. Total liabilities amount to \$23,369,648.83. Total ordinary expenditure was \$9,936,763.05 compared with estimates of \$9,132,417.00. Total expenditure was \$14,247,731.12.

Of the total ordinary revenue of \$10,909,908.12, \$5,561,556.06 was from the Government of Canada; \$2,301,473.92 from gasoline tax; \$546,356.03 from public health tax; \$984,138.56 from the Temperance Commission.

Ordinary expenditure, with the estimates in brackets, included: Interest \$1,038,471.83 (\$1,069,800.00); Sinking fund \$1,647,471.83 (\$1,730,200.00); Health \$1,575,218.25 (\$1,648,338.00); Welfare and Labour \$1,028,947.72 (\$802,900.00); Education \$1,569,344.30 (\$1,535,490.00); Justice \$233,145.94 (\$232,300.00); Legislation \$104,804.10 (\$97,230.00); Agriculture \$534,476.66 (\$510,840.00); Industry and Natural Resources \$100,761.71 (\$110,620.00); Fisheries \$30,275.43 (\$27,960.00); Highways \$1,642,892.07 (\$1,448,560.00); Public Works \$26,206.89 (\$30,700.00); Refunds of revenue \$648,073.92 (\$351,000.00); Other \$187,068.10 (\$179,700.00).

Rustico Resort Is Predicted

An extensive program of development in and around Rustico in the very near future was predicted by Opposition Leader R. R. Bell speaking in the Island Legislature yesterday.

Outlining the proposed plan which would seemingly come from Federal funds, Mr. Bell said it was planned to erect a modern civic centre in the middle of the village of North Rustico at the road junction. There would be a fountain in connection with the building and perhaps a monument on the grounds.

Hon. Mr. MacDonald: To whom will the monument be built — to you?

Mr. Bell: "That matter hasn't been decided upon as yet."

road to Rustico — the stakes were put before election and after action the fishermen used them to make lobster traps.

Mr. Bell said he was happy to see that 51 miles of the proposed paving program of 355 miles was to be built in the second district of queens, including extension of the west river causeway pavement through the south shore districts and the Milton to Cavendish road and Mayfield.



Hospital Bill Planned Monday

Hon. M.L. Bonnell Minister of Health announced in the Legislature during the tabling of the Hospital Survey report yesterday he would introduce the Hospital Insurance bill on Monday.

He urged all members to read the report thoroughly so that they would be able to speak on the subject when the bill comes before the House.

S. Korea And Japan Quarrel

TOKYO, (Reuters) — South Korea and Japan headed toward the possibility of an open clash on the eve of Japan's expected decision today to repatriate part of its Korean colony to Communist North Korea.

South Korean envoy Yiu Tai said here "a conflict seriously endangering peace in the Far East" might be touched off if the Japanese government today approves plans to send home North Koreans among the 600,000 strong colony.

Tenseness of the situation was underlined in Seoul Thursday when the South Korean cabinet announced it had reached a "grave decision" in the dispute. The decision was not outlined.

There have been unofficial reports in Seoul that the South Korean Navy, substantially more powerful than Japan's, would intercept any vessels being used to send Koreans to the Communist North.

"SLAVERY"

The South Korean government has maintained that to repatriate North Koreans in Japan would be sending them to slavery.

Guide Returns From Australia

Miss Winnifred Ann MacMillan, arrived home by plane last evening from Australia. Winnifred Ann was Prince Edward Island's representative at the International Girl Guide camp, held in Australia last month.

POPE SEES CANADIAN VATICAN CITY (AP)—Msgr. Leo Blais, bishop of Prince Albert, Sask., was received Thursday by Pope John in private audience in the pontiff's private library. The audience lasted half an hour.

Danish Ship Makes Progress Through Ice In Quebec Dash

QUEBEC (CP) — The Danish freighter Helga Dan, making a bid to become the first Quebec-bound vessel to reach Quebec harbor during winter, was reported off Sept. Isles, Que., early Thursday.

The 3,050-ton vessel received help from the icebreaker Labrador for several hours Wednesday while she was plowing through rafted ice in the Cabot Strait, between Newfoundland and Cape Breton Island, but has been on her own since.

Capt. George Gaudreault, regional agent for the transport department, said the vessel was off Sept. Isles, 330 miles downriver, early Thursday morning and was expected off Rimouski between 9 p.m. and midnight.

Ice conditions in the river are not bad, considering the season, Capt. Gaudreault said, and it is not expected the freighter will require further assistance. She may reach Quebec this afternoon or evening.

Coastal ships have navigated the river between Quebec and lower St. Lawrence ports for the past two winters but no ocean vessel has made the run to this harbor during this season.

Crapaud Rink Damaged By Fire Yesterday

Crapaud Rink was damaged slightly by fire yesterday afternoon. A blaze started in one of the dressing rooms while a water pipe was being thawed with a blow torch.

The Crapaud Fire Department had the blaze under control quickly. It was necessary to remove several of the aluminum sheets which cover the building in order to get at the fire.

The damage was covered by insurance.

The rink is continuing to operate without difficulty. The damaged dressing room has been closed off until repairs are made.

Britain Delays Approving Cyprus Independence Plan

LONDON (Reuters) — Britain Thursday night fought shy of approving a plan for Cyprus independence until the future of "vital British interests" on the island is assured.

Foreign Secretary Lloyd, replying to questions in the House of Commons, "warmly welcomed" the Greek-Turkish plan set forth by the two governments in Zurich, Switzerland, Wednesday.

But he added there are "numerous points" to be considered before Britain agrees to grant independence to the Mediterranean colony.

Britain, Greece and Turkey are considering a conference, starting here Monday, to decide the final terms for Cyprus' future. It is still not decided whether Greek- and Turkish-Cypriot leaders, including exiled Archbishop Makarios, should be invited.

Strange Quiet

NICOSIA, Cyprus (Reuters)—Governor Sir Hugh Foot enjoyed an outdoor picnic Thursday as a strangely peaceful Cyprus basked under the Mediterranean sun.

While Greek, Turkish and British statesmen in London negotiated the future of the British colony, Foot made an unscheduled tour of the island and was warmly greeted by Greek and Turkish villagers.

Drop Union, Smallwood Advises Striking Loggers



ONLY CHARRED RUINS REMAIN \$7,000 Loss As Truck Is Demolished By Blaze

Damage estimated at \$7,000 was caused when a stake body International oil truck owned and operated by Robert C. Barwise, City, Imperial Oil trade agent, caught fire yesterday just outside Hunter River on the road to New Glasgow.

The fire is reported to have originated somewhere in the pumping apparatus and despite all efforts to extinguish it soon went out of control and became a raging inferno.

Mr. Barwise was carrying 1,000 gallons of stove oil in five 200 gallon tanks. The fact that these tanks were full, officials claim, prevented an explosion which could have had far more serious consequences.

WARNED BY MOTORIST Assisted by an unidentified motorist who noticed the blaze and warned him, Mr. Barwise made every effort to put out the fire with hand extinguishers he carried on the truck.

When the blaze went completely out of control, the heat became so intense that the hard surfaced road was reduced almost to ashes in the immediate area.

Overhead telephone lines about 40 feet away from the burning vehicle were burned to a crisp and had to be replaced and in a matter of minutes all that remained of the International truck was a mass of charred, twisted metal. A government snowplow pushed the debris to the side of the road.

Fortunately, the truck and the equipment are covered by insurance and Imperial Oil has given assurance that they will have Mr. Barwise back in operation today with a converted truck.

Premier Clashes With Members Of Opposition

Fireworks developed between Premier Matheson and two members of the Opposition as the House Leader spoke briefly on the draft address before adjournment yesterday afternoon.

Frank Myers (PC 1st. Queens) took exception to remarks of the Premier when Mr. Matheson said it had been reported to him that the Crapaud member had expressed concern that the nomination of Party leader Shaw would lessen his (Myers') chances of election next time, suggesting that the result would be similar to that held in the Carignan district when Mr. Shaw and his colleague went down to defeat.

My Myers asked that the premier to identify the time and place where he (Myers) was reported to have made this statement.

DEMANDS RETRACTION When the Premier continued on another subject, Mr. Myers (Continued on Page 11, Col 3)

Ice Blockades Argentina, Nfld.

HALIFAX (CP) — The United States coast guard cutter Campbell, unable to make port at Argentina, Nfld., because of ice conditions, is scheduled to arrive here Friday to take on fuel.

A navy spokesman said it was not immediately known how long the Campbell would remain here or what her next destination will be.



PREMIER MATHESON

CCF WANTS PUBLIC LOANS

'Legalized Sharks' Tag Put On Loan Companies

OTTAWA (CP)—Hazen Argue Thursday described finance companies as "legalized sharks."

The CCF House Leader made the charge in speaking in the Commons on his bill to limit interest rates in Canada to 12 per cent a year.

He said the chartered banks have failed to do a proper job in the small loan field and urged establishment of a publicly-owned lending system.

He said "hordes of loan sharks and parasites" are charging "exorbitant" and "fantastic" interest rates. A ceiling of 12 per cent—this now applies only to small loan companies on loans under \$1,500—would save tens of millions of dollars for ordinary Canadians.

He proposed an amendment that would have the question considered by the Commons banking and commerce committee before further action is taken on the bill.

Mr. Argue, who has introduced the interest rate bill in previous sessions, urged that the government permit a "free vote" on the issue—that is, one in which members could disregard party lines.

As the government followed a policy of higher interest rates,

the chartered banks became less interested in small loans. The banks were happy to carry the accounts of finance companies while denying loans to small borrowers.

A publicly-owned lending system would provide some "real competition" to the chartered banks. As well, credit unions should be given federal charters.

UNREASONABLE RATES Adrien Meunier (L—Montreal Papineau), supporting the bill, said finance companies especially in the car-financing field charge unreasonable rates. Some paid car dealers a premium of 25 per cent on new cars and 15 per cent on used cars when business was thrown their way. Some charged an effective rate of 35 per cent on car financing.

Louis Joseph Pigeon (PC—Joliette—Assomption, Montcalm) said advertising practices of some small loan companies are "revolting," "inaccurate," and "misleading."

"Workers are constantly devoured by these financial sharks," Mr. Pigeon said. More Canadians should deal with credit unions because chartered banks did not fill the needs of the borrowing public.

Home Set-Up Is Suggested

By IAN MACDONALD Canadian Press Staff Writer ST. JOHN'S, Nfld. (CP)—Premier Smallwood Thursday night advised Newfoundland's 20,000 loggers to send the International Workers of America (IWA) "out of the province" and organize a new union of their own.

He offered his services "day and night" to bring this about and suggested they might join with Newfoundland fishermen in one large provincial union.

In a radio and television speech over a provincial network he said the strike of 1,200 IWA pulpwood loggers against the Anglo-Newfoundland development company "is a failure and the IWA itself is a failure."

It was the premier's first public intervention in the strike, which has been marked by tension and violence.

FAILED THE LOGGERS "The IWA has failed the loggers of Newfoundland and failed the loggers' families," he said. In my opinion the IWA never will and never can win in Newfoundland."

The premier said the IWA "has not led our loggers—they have misled them. They have not given leadership to the loggers—they have given them mis-education. They have not won the friendship of the people of Newfoundland—they have turned the people of Newfoundland against them."

"The vast majority of our Newfoundland people tonight are shocked and horrified at what is going on."

Mr. Smallwood said that a few weeks ago he sent a "considerable number of level-headed Newfoundlanders through central and northern Newfoundland where 96 per cent of the A.N.D. Company loggers work. They had strict orders from me to keep their mouths closed and their ears open . . . the instruction I gave them was simple: They were to learn what the people were thinking about the strike."

The premier also said he also heard from a great many clergymen and dozens of "decent citizens."

ACCEPTS APOLOGY Premier Smallwood's reply said he accepted the man's apology. "Perhaps you will allow me to give you a word of advice, which is that you should never take a drink again as long as you live," the premier said.

H. Landon Ladd, district president of the IWA, said the Badger man's telegram put the incident "in its proper perspective." He said the premier should have checked with the IWA before he notified the RCMP.

"The IWA would not have any part whatsoever in such adventurism," Mr. Landon said.

Badger is a logging town about 25 miles west of Grand Falls.

SDU Debaters Take Decision From Acadia U

St. Dunstan's University debaters last night won their opening debate of the current Martime intercollegiate debating season when they defeated Acadia University by a split decision. The topic was "Resolved that trial by jury is outmoded."

Representing Saint Dunstan's and upholding the affirmative side were Robert Fearon, a senior arts student from Minto, N. B., and Richard Fleming, freshman arts student from Charlottetown.

Acadia debaters, who opposed the resolution, were Colin Mackenzie from Kentville, N.S., and Allen Eaves from Wolfville, N.S.

Judges were Dr. George Fisher, Lt.-Col. L. F. MacDonald and Col. A.W. Rogers, all of Charlottetown.

WHAT PEOPLE THINK As a result of the surveys, the premier said, "here is what the people are thinking:

1. The loggers must have a good strong union.

2. It would be a disaster for the loggers to be without a good strong union.

3. The IWA is a failure, and the strike never should have been called.

4. The Great majority of loggers want to get back to work.

5. The premier should step in and try to do something to help the loggers in their plight."

The premier offered suggestions to the loggers:

"Send the IWA about their business . . . write or better still telegraph at once to the IWA telling them you are no longer a member of that organization."

"Form a brand new union for

all the loggers of Newfoundland . . . in a very few days it would be possible for you to have the new union formed and negotiations started with the A.N.D. Company."

The men could be back in the camps within "the new week," he said. Within the next fortnight or so a new working agreement could be signed between the new union and the company.

Earlier Thursday Mr. Smallwood made public two telegrams indicating that Wednesday's "threat" by strikers to break into the Grand Falls jail was a hoax.

ADMITS TO HOAX One telegram was addressed to the premier from a Badger, Nfld. resident. In it the sender admitted he sent a hoax message to the premier Wednesday warning that 800 loggers would raid the jail to release eight strikers held there.

"The message read in part: 'The ideas in the telegram were my own, and the IWA had nothing to do with it at all . . . I apologize.'"

The man, who described himself as a small store owner, said he was under the influence of liquor when he sent the threat. RCMP took extra precautions at the Grand Falls jail after the threat but nothing happened.

SAUREL NOT YET ABLE TO BRING FERRY TO BORDEN

OTTAWA (Special)—Ice conditions in the Gulf of St. Lawrence—the worst in years—make it impossible at this time for the icebreaker Saurel to clear a channel for the ferry SS Prince Edward Island between Port aux Basques and Borden.

This was the explanation given yesterday by a senior Transport Department official for the temporary hold up of the ferry in Newfoundland.

"The icebreaker has made two recent attempts to get down the river to the gulf," the official said, "but the heavy ice conditions have made it impossible."

He pointed out that an easing of the ice conditions, expected at almost any time, would enable the Saurel to open the channel between Port aux Basques and Borden.

The official said the Saurel is capable of steaming through the ice, but it cannot carry sufficient fuel to do the job under existing conditions. "It just hasn't enough bunkers," he said. It can carry enough fuel for only 50 hours of steaming.

This is understood to be the reason why the ferry herself is unable to make her way to Borden.

A railway report indicates that four Transport Department ice breakers have been operating in Gulf waters, assigned to the task of ramming through to spots where ships may be locked in helpless immobility. They are the Saurel, Labrador, N.B. McLean and Cornwallis, a doughty foursome complemented by the Carson, with its special ice-breaker bow, broad beam, reinforced framing and increased thickness of steel plating.

Cold Storage Holdings Given

OTTAWA (CP) — Canadian cold storage holdings of creamery butter, skim milk powder, eggs and poultry meat were higher while cheddar cheese and evaporated whole milk were lower at Feb. 1 than a year earlier, the bureau of statistics reported Thursday.

Holdings of creamery butter increased to 82,375,000 pounds from 82,250,000, skim milk powder to 75,135,000 pounds from 74,853,000, cold storage eggs to 102,000 cases from 100,000 and poultry meat increased to 44,532,000 pounds from 32,970,000.

Stocks of cheddar cheese decreased to 43,204,000 pounds from 49,240,000 and evaporated whole milk to 36,337,000 pounds from 36,893,000.

ONTARIO FLOOD DANGER

TORONTO (CP)—Heavy snowfalls in Ontario may turn into the worst flooding in memory if all the snow melts in a hurry, flood control officers said Thursday. Snowfall has been the heaviest since 1947, when there were disastrous floods on many Ontario watersheds.

Bell Tells Liberals To Take Their Beating

Opposition Leader Bell yesterday called upon the Island Liberal government. "To take their beating like a man and go to Ottawa and thank them for what they have done—you will be treated as representatives of the province and not as beggars and complainers."

The debate on the draft address took a step in tempo as Mr. Bell on several occasions requested the Speakers to control the heckling from the government benches.

Premier Matheson followed the PC House leader in the debate and it was not long before he and Frank Myers (PC 1st Queens) became involved in a heated argument. The Premier adjourned the debate at 5 p.m. The House will meet Monday afternoon at 2.30.

TAKE ADVANTAGE

In referring further to the Premier's complaint of treatment from the Ottawa government, Mr. Bell said "The Premier in one breath says he would rather deal with a Liberal government at Ottawa and in the same breath says the Liberals did not give him half a deal. Now we have a receptive government at Ottawa—why not take advantage of it?"

Mr. Bell said the Liberal government on Prince Edward Island seems to have gotten into a rut from 1935-1957. "I can't blame them in one sense because they lost their fight and initiative by the poor treatment they received from the federal government during these years. We didn't get half a deal and it ended up with Prince Edward Island, a member of this Con-

ederation for 80 years, going to Ottawa in a cowering and brow beaten manner asking for a few crumbs from the rich man's table."

Continuing Mr. Bell asserted there has never been a Liberal government on Prince Edward Island that has had it so good from the Ottawa government as seen in relations during the past 18 months. "and there has never been a federal government more generous and more co-operative to PEI than the Diefenbaker government."

Mr. Bell urged the local government to be enthusiastic, co-operative and prepared. He noted that the Island's was the only Liberal government in Canada other than that of Newfoundland that observed that the Island might do well to follow the example of Newfoundland.

NEWFOUNDLAND DEAL

He said Premier Smallwood put it, over the federal government when he grabbed off \$30 million of the four year grant while P.E.I. had to be satisfied with \$10 million. "Now on top of this Smallwood is asking Ottawa for another \$17 million rather than the \$7 million awarded by the Macnair Commission and he may get it because he goes about it in a better way than our government," Mr. Bell said.

The Opposition Leader made reference to what he termed "an astounding admission" in the throne speech where it was stated that the province had received 2 1/2 million from the federal treasury.

"This is the first admission by the leader of the government although it was called out and (Continued on Page 5, Col. 1)

SIX DAYS OF FOG

MILAN, Italy (AP)—Northwest Italy had its sixth day of zero visibility fog Thursday and attributed at least 10 deaths to it.